

Rule-Making Hearing Scheduled for March 18, 2015

On March 18, 2015, the Board will conduct a public rule-making hearing to consider amending 21 NCAC 08G .0409, *Computation of CPE Credits*. The full text of the proposed rule is available on the attached pages.

The Hearing will begin at 1:00 p.m. at the Board office at 1101 Oberlin Road, Suite 104, Raleigh, NC 27605.

No fiscal note is required regarding this proposed rule as there is no fiscal impact on any local, state, state budget, or federal funds. No federal certification of this proposed rule change is required as this rule is not mandated by any federal statutes or rules.

Written comments on the proposed amendment will be accepted through 5:00 p.m. on April 17, 2015; written comments to be included in the March 18, 2015, Board meeting package must be received by the Board by 5:00 p.m. on March 11, 2015.

Submit written comments regarding the proposed amendment by mail, fax, or email to:

Robert N. Brooks
State Board of CPA Examiners
PO Box 12827
Raleigh, NC 27605
Fax: 919-733-4209
Email: rbrooks@nccpaboard.gov

Individuals who plan to attend the rule-making hearing must contact Mr. Brooks by mail, fax, or email by 5:00 p.m. on March 11, 2015, to ensure adequate seating is available.

Any individual who plans to attend the hearing to present oral testimony on the proposed amendment must indicate if he or she is in favor or opposed to the amendment.

TITLE 21 - OCCUPATIONAL LICENSING BOARDS AND COMMISSIONS

CHAPTER 08 – CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

Notice is hereby given in accordance with G.S. 150B-21.2 that the NC State Board of CPA Examiners intends to amend the rule cited as 21 NCAC 08G .0409.

Link to agency website pursuant to G.S. 150B-19.1(c): www.nccpaboard.gov

Proposed Effective Date: July 1, 2015

Public Hearing:

Date: March 18, 2015

Time: 1:00 p.m.

Location: NC State Board of CPA Examiners, 1101 Oberlin Road, Suite 104, Raleigh, NC 27605

Reason for Proposed Action: *The purpose of the rule-making is to amend the rule regarding the length of a contact hour for credit for continuing professional education (CPE) for licensees of the Board.*

Comments may be submitted to: Robert N. Brooks, NC State Board of CPA Examiners, 1101 Oberlin Road, Suite 104, Raleigh, NC 27605, phone (919) 733-1425, fax (919) 733-4209, email rbrooks@nccpaboard.gov.

Comment period ends: April 17, 2015.

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission after the adoption of the Rule. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 919-431-3000.

Fiscal impact (check all that apply).

- ☐ State funds affected
- ☐ Environmental permitting of DOT affected
- ☐ Analysis submitted to Board of Transportation
- ☐ Local funds affected
- ☐ Substantial economic impact (\geq \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required by G.S. 150B-21.4

SUBCHAPTER 08G - CONTINUING PROFESSIONAL EDUCATION (CPE)

SECTION .0400 - CPE REQUIREMENTS

21 NCAC 08G .0409 COMPUTATION OF CPE CREDITS

(a) Group Courses: Non-College. CPE credit for a group course that is not part of a college curriculum shall be given based on contact hours. A contact hour shall be 50 minutes of ~~instruction. One-half credit instruction and one-half contact hour~~ shall be equal to 25 minutes ~~of instruction. after the first credit hour has been earned in a formal learning activity.~~ For example, a group course lasting 100 minutes shall be two contact hours equaling two CPE credits. A group course lasting 75 minutes shall be one and one-half contact hours equaling one and one-half CPE credits. ~~A group course lasting 25 minutes shall be one-half contact hour and equal to one-half CPE credit.~~ When individual segments of a group course are less than 50 minutes, the sum of the individual segments shall be added to determine the number of contact hours. For example, five 30-minute presentations shall be 150 minutes, which shall be three contact hours and three CPE credits. No credit shall be allowed for a segment unless the participant completes the entire segment. Internet based programs shall employ a monitoring mechanism to verify that participants are participating during the duration of the course. ~~No credit shall be allowed for a group course having fewer than 25 minutes of course instruction.~~

(b) Completing a College Course. CPE credit for completing a college course in the college curriculum shall be granted based on the number of credit hours the college gives the CPA for completing the course. One semester hour of college credit shall be 15 CPE credits; one quarter hour of college credit shall be 10 CPE credits; and one continuing education unit shall be 10 CPE credits. No CPE credit shall be given to a CPA who audits a college course.

(c) Self Study. CPE credit for a self-study course shall be given based on the average number of contact hours needed to complete the course. The average completion time shall be allowed for CPE credit. A sponsor ~~must~~ shall determine on the basis of pre-tests or NASBA word count formula the average number of contact hours of course material it takes to complete a course. A contact hour

shall be 50 minutes and one-half contact hour shall be 25 minutes of course material. No self-study course may contain less than 25 minutes of course material.

(d) Instructing a CPE Course. CPE credit for teaching or presenting a CPE course for CPAs shall be given based on the number of contact hours spent in preparing and presenting the course. No more than 50 percent of the CPE credits required for a year shall be credits for preparing for and presenting CPE courses. CPE credit for preparing or presenting a course shall be allowed only once a year for a course presented more than once in the same year by the same CPA.

(e) Authoring a Publication. CPE credit for published articles and books shall be given based on the number of contact hours the CPA spent writing the article or book. No more than 25 percent of a CPA's required CPE credits for a year shall be credits for published articles or books. An article written for a CPA's client or business newsletter shall not receive CPE credit.

(f) Instructing a Graduate Level College Course. CPE credit for instructing a graduate level college course shall be given based on the number of credit hours the college gives a student for successfully completing the course, using the calculation set forth in Paragraph (b) of this Rule. Credit shall not be given for instructing a course in which there is credit given towards an undergraduate degree.

(g) No more than 50 percent of the CPE credits required for a year shall be credits claimed under Paragraph (d) and (f) of this Rule.

Authority G.S. 93-12(8b).